



**IN SEARCH OF NEW TALENT,  
EXPERIENCE, AND PERSPECTIVES**

WOMEN IN INVESTMENTS  
Sacramento Convention Center  
February 10, 2009



# Women in Investments Hedge Funds Workshop



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# CalPERS & Hedge Funds

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## RMARS Program Information

- Primary Objective – Outperform the ML 1 Year US Treasury + 5% with volatility less than  $\frac{1}{2}$  the US equity market
- Secondary Objective – Provide downside protection to \$90+B Global Equity Portfolio
- \$6.4B as of December 31st, 2008
- 28 direct investments - \$5.0B (79%)
- 9 FoHF's with a specific focus - \$1.4B (21%)
- Use external sources to augment & complement CalPERS staff



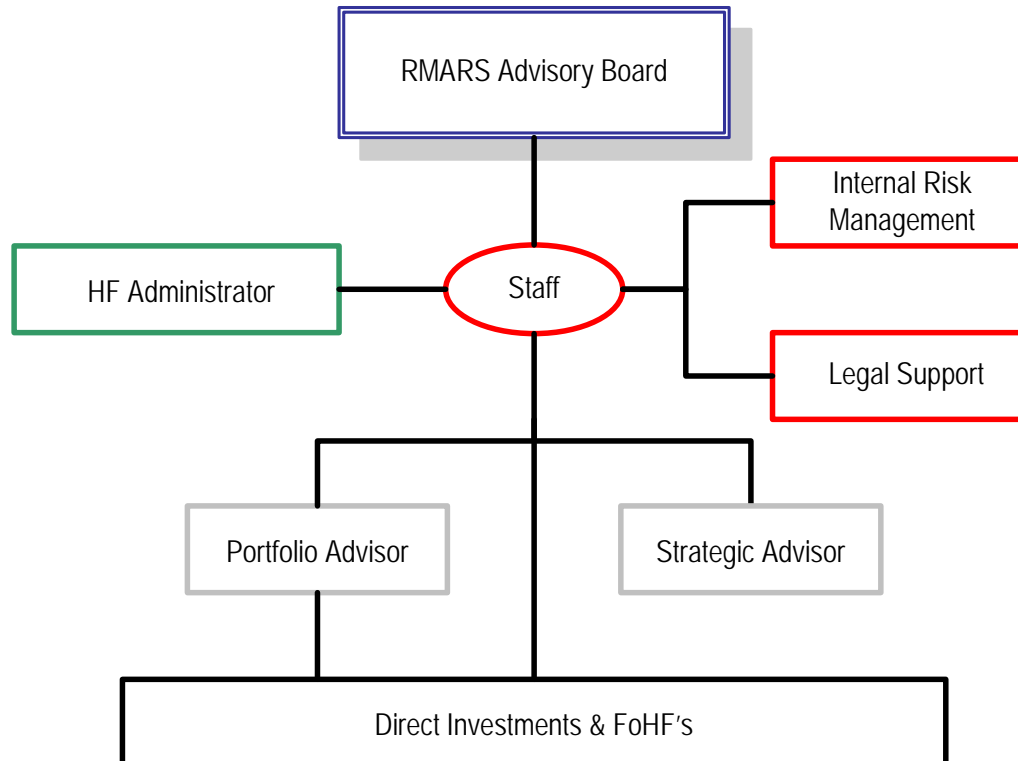
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# RMARS Internal/External Team

## Hub & Spoke Organizational Structure





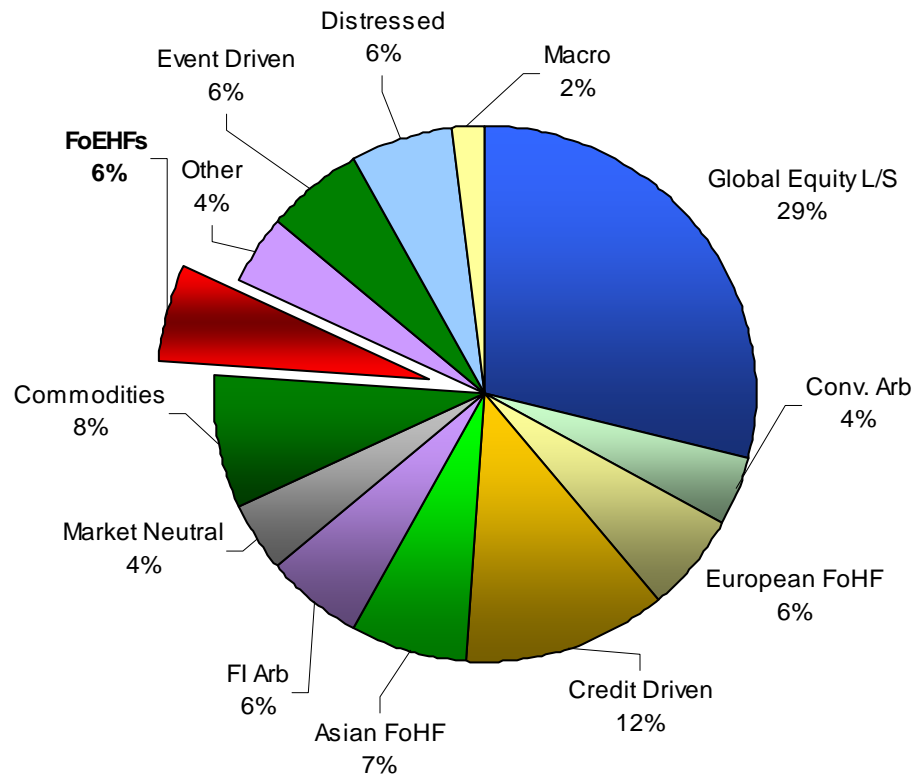
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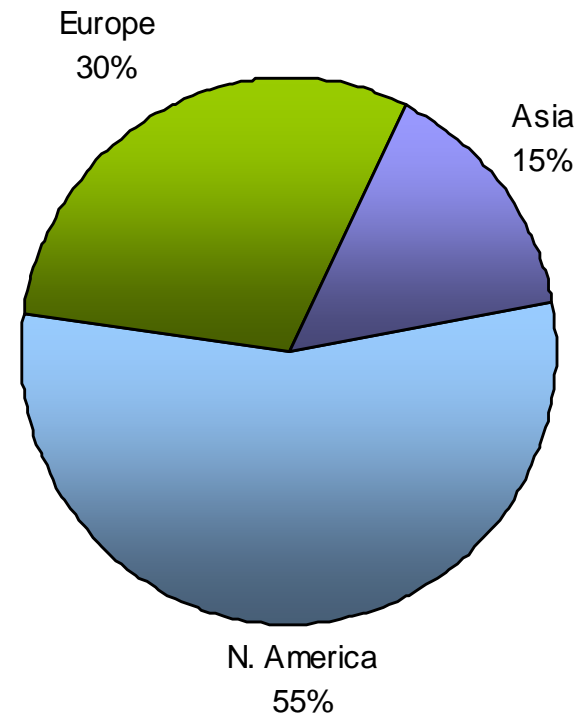


# The RMARS Portfolio

### Strategy Allocation



### Geographic Allocation





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# Emerging Manager Programs and Structure

- Funds of Emerging Hedge Fund Managers - \$350 Million
- Advisors (each advisor is a majority woman owned firm)
  - PAAMCO
  - Rock Creek
  - 47o North
- Emerging Manager Portfolios
  - Consists of 56 managers
  - Women and minority firms manage 19% AuM





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# Manager Selection and Due Diligence Processes

- Avoid the “beta” investment opportunities disguised as HF’s
- Search for firms that display nimbleness
- Search for firms that manage downside risks
- Search for managers with scalable business models
- Select HF’s that complement the total RMARS portfolio



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# Contact Protocol and Procedures

- CalPERS staff
  - Provide internal assessment of manager
  - Arrange initial meeting with advisors
  - Communicate feedback from advisors
- Mosaic Investment Advisors
  - Provides mentoring prior to & during due diligence phase
  - Exposure to other institutional investors
- Three Advisors
  - Perform full due diligence





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# New Business Opportunities

- Current market dislocations present CalPERS with many interesting opportunities
- Currently assessing these opportunities



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## What's Next at CalPERS

- Performance is rewarded through additional capital
- CalPERS will continue to re-evaluate our portfolio on an ongoing basis



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Thank you.